

Washington Citizens' Commission on Salaries for Elected Officials
January 9 and 10, 2007
Olympia Phoenix Inn Suites

Tuesday, January 9, 2007

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was convened and brought to order by Ron Hopkins, Chair, at 9:07 a.m.

Ron Hopkins read the letter from Kamaria Hightower resigning from her position on the Commission.

Commission Members Present:

Scott Baxter
Don Boggs, Jr.
Dale Carlisle
Jim Clark
Alan Doman, Vice-Chair
Dorothy Gerard
Ron Hopkins, Chair

Willeen Denton-Hornbeck
David Irwin
John McCallum
Dirk Muyskens
Brian Sadden
Katherine Wade-Easley

Commissioners Excused:

Debra Alyea
Kamaria Hightower (resigned from her position)
Linda Lopez

Staff Present:

Carol Sayer, Director
Teri Wright, Executive Assistant

Ron Hopkins read the opening statement for the Commission.

Dave Irwin motioned to approve the November 15, 2006, minutes and was seconded by Willeen Denton Hornbeck. Ron Hopkins called for a vote and it was unanimously passed.

Ron Hopkins explained the process of the Commission and how the law requires that the Commission have a proposed salary schedule by the end of this meeting. This may, at first glance, seem backward; however this process gives the public a chance to comment on the proposed schedule. There was clarification on making changes to the proposed salary schedule and hearings needed on the proposal.

Dr. Terry Bergeson, Superintendent of Public Instruction, gave an overview of her position and responsibilities. She highlighted that there are 2,200 schools and 296 districts with a 6.5 billion budget. A large part of her job is managing the finance aspect of OSPI. Some major challenges

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are the Washington Assessment for Student Learning (WASL) and the No Child Left Behind Act. WASL is now a requirement for graduation. The big picture is giving our children what they need to compete nationally and as well as globally.

Senator Lisa Brown, from the 3rd Legislative District, addressed the problem she believes the Legislature is encountering with insufficient numbers of people willing or able to run for legislative seats. She also believes there to be retention problems due to financial factors.

Senator Jeanne Kohl-Welles, from the 36th Legislative District, addressed her belief that committee chairs should receive a stipend. She also believes there is a problem with insufficient numbers of people willing or able to run for legislative seats. She stated that many legislators leave due to financial and time constraints. She believes that these problems need to be addressed by a constitutional change.

Representative Mary Lou Dickerson, from the 36th Legislative District, stated that she had to leave her job to run for the Legislature and that it is difficult to find and work a part time job when she averages 37 hours per work week. She requested that the Commission consider a substantial increase and not a small cost of living adjustment (COLA).

Chief Justice Gerry Alexander gave an overview of the court system. He recommended that the Willis system is a fair system and that the Commission continue with its use. He also stated that the federal bench is the best benchmark for the state judicial system, but requested that the Commission remember that state courts are more diverse than federal courts. Justice Alexander requested that the Commission consider a small increase and a cost of living adjustment for the state judges to work towards alignment with the federal bench.

Judge Richard Fitterer, Judge Michael Cooper, and Judge Stephen Brown spoke about their concerns of large case loads and judges leaving for better paying positions, both to the federal bench and private sector positions.

The Commission took a break for lunch.

Michael Murphy, State Treasurer, spoke to the Commission by telephone to present his testimony. He gave an overview of his position as being the state's banker. He stated that the Department of Personnel's salary review shows a significant disparity between appointed agency heads and elected agency heads. He believes that there should be parity with the appointed agency heads. He compared his position with that of the Office of Financial Management Director and requested a significant raise in his salary.

There was discussion about the majority leader issue in the Legislature. Carol Sayer believes this was an oversight by the Commission that should be corrected by the Commission. It was requested that staff contact the House Office of Program Research and the Senate Committee Services regarding the standing committee stipend and the House Majority Leader position.

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Sam Reed, Secretary of State, requested that commissioners ask questions as needed. Willcan Denton Hornbeck asked about changes to his position in the last couple of years. Mr. Reed gave an overview of his position responsibilities including the addition of the state library and the large responsibility of the state's voting system, even though the voters register in their respective counties. Due to voting problems, there is now a state registration system to weed out duplicate and others from voting that should not. The Secretary of State's office can also perform reviews of the county systems, which is a new responsibility. There were numerous questions about the election process and if Mr. Reed believed there has been a decrease in the number of uncontested elections and whether this is caused by elected position pay or other factors. Mr. Reed stated that he does believe pay is an issue, but that there are numerous other factors as well.

Cary Randow, Department of Personnel, gave a presentation to the Commission according to the following outline:

Agenda:

- Overview of Recent and Proposed Pay and Salary Range Changes
- Regional Trends in Executive Pay and Pay Practices
- Summary of Job Evaluation Methodology and Review/ Recommendations Process
- Analysis and Recommendations
- Developing a Competitive Pay Strategy
- Your Questions

Recent and Proposed Pay and Salary Range Changes:

- Classified Employees
 - 3.2 percent and 1.6 percent GWA's implemented in FY05 and FY06 respectively
 - 3.2 percent and 2.0 percent GWA's and salary structure negotiated for FY07 and FY08 respectively
 - Additional step added to structure for FY07
- Washington Management Service/Exempt Management Service Employees
 - 3.2 percent and 1.6 percent GWA's FY05 and FY06 respectively
 - Governor's budget provides a GWA of 3.2 percent and 2.0 percent for FY07 and FY08, with September effectivity
 - Salary structure changes averaged 4.5 percent in FY05 and 5.7 percent in FY06
 - Fiscal year 2006 salary growth for WMS/EMS employees was 3.0 percent and 3.1 percent respectively. Statewide, Milliman reports annual salary growth of 3.8 percent (combined public/private sector)
- Governor - appointed Officials
 - Received 3.2 percent and 1.6 percent GWA's in FY05 and FY06 respectively
 - Governor approved equity alignment adjustments for some positions averaging 5.0 percent in both FY05 and FY06
 - Salary plateau (maximum) adjustments averaged 3.2 percent in FY05 and 6.4 percent in FY06
 - Governor's budget provides for GWA's of 3.2 percent and 2.0 percent for FY07 and FY08, respectively, with September effectivity

Trends in Executive Pay – Regional Basis

- Base salary adjustments have averaged 4.8 percent over the last three years
- Out-of-base earnings have averaged an additional 14.9 percent over the same period
- Adjustments to salary range maximums have averaged 5.8 percent per year since 2003
- "Replacement" costs have risen 28.0 percent since 2004
- "Leadership Gap" contributing to steadily increasing number of failed recruitments among Northwest-region and nation-wide employers. We are on the upside of this trend

Sources: Milliman Inc. and Economic Research Institute

Job Evaluation Methodology

- We use the "Willis" Point-Factor Method in the evaluation of management positions
- This method measures and values the Knowledge and Skills, Mental Demands and Accountability required of each position
- Evaluation produces a profile and total points which are used to arrive at a grade/plateau level placement
- Once approved, the profile/total points become the baseline for future review and analysis

Review and Recommendation Process

- Review updated job descriptions with follow-up with HR Directors
- Spoke with selected Governor - appointed Officials whose position/agency maintains close working relationships with Elected Officials
- Reviewed Owen-Pottier study of Legislator and Judiciary Salaries and followed up with Fred Owen on specific evaluations
- Reviewed the March 2003 job evaluation study conducted by the DOP on Elected Officials
- Conducted evaluations and performed "Sore-thumb" review

Review, Analysis and Recommendations

- Six of nine Elected Officials evaluate at a higher point value
- Evaluation changes reflect higher Mental Demands and Accountability
- Recommended plateau level comparisons better reflect comparability with Governor - appointed Officials
- On average, Elected Officials' salaries currently lag those of Governor - appointed Officials by 15.6 percent. The lag increases to 28.2 percent with proposed comparators
- State taking a more focused approach to executive pay administration and internal alignment
- Collective bargaining and regional city/county/port pay practices are creating "scaled" salary compression between management and those they supervise
- Salary competitiveness requires a longer-term "keep-up" and "catch-up" strategy

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Elected Officials' Evaluations

Proposed Evaluation Points and Profiles of Elected Officials

Elected Official	Know How	Mental Demands	Accountability	Shape	Total Points	SCOAS Plateau Equivalency
Governor	H7Y-2560	H50-1952	H6D-2560	+3	7072	NA
Lieutenant Governor	G3Y-736 G47-848	F4L-368 G4N-560	F5S-424 G5S-640	+1	1528 2048	C B
Attorney General	G5Y-1280	G50-976	G6D-1120	+2	3376	A
Superintendent Of Public Instruction	G5Y-976	G50-736	G6D-976	+2	2688	A-
State Treasurer	G4Y-848	F4M-488 G50-640	F6S-640 G6S-736	+2 +1	1976 2224	B B+
Insurance Commissioner	G4Y-848	G4N-560 G50-640	G6S-736 G6S-848	+2	2144 2336	B B+
State Auditor	G4Y-848	F5M-488 G50-640	F6S-560 F6S-736	+1	1896 2224	B B+
Secretary of State	G4Y-848	F4M-488 G4N-560	F6S-640 F6S-736	+2	1976 2224	B B+
Commissioner of Public Lands	G5Y-976	G4N-640 G50-736	G6S-848 G6S-976	+2	2464 2688	B+ A-

Note: Legislative and Judicial positions not included

Developing a Competitive Pay Strategy

Keep-Up – Remaining current with the labor market

- Determine type/nature of competitive market(s)
- Review and factor in overall market trends e.g., wage growth
- Determine what "being competitive" means

Catch-up – Actions taken to provide more competitive pay levels and/or improve internal pay alignments

- Internal alignment corrections or revisions
- Individual position pay alignments – tie to evaluated points/ plateau comparison
- Market considerations

Strategy

- Keep both factors in mind in pay determinations
- Maintain a "balanced" longer-term approach
- Note and document process and progress

The meeting adjourned at 4:00 p.m.

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Wednesday, January 10, 2007

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was reconvened and brought to order by Ron Hopkins, Chair, at 9:05 a.m.

Commission Members Present:

Scott Baxter
Don Boggs, Jr.
Dale Carlisle
Jim Clark
Alan Doman, Vice-Chair
Dorothy Gerard

Ron Hopkins, Chair
Willeen Denton-Hornbeck
John McCallum
Dirk Muyskens
Brian Sadden
Katherine Wade-Easley

Commissioners Excused:

Debra Alyea
Kamaria Hightower (resigned from her position)
David Irwin
Linda Lopez

Staff Present:

Carol Sayer, Director
Teri Wright, Executive Assistant

Lieutenant Governor Brad Owen gave an overview of his position and its responsibilities. He did not request a raise, but stated that his statutory responsibilities have increased substantially over the years. He supports the Commission and the responsibility you have in addressing salaries. He also addressed questions from the Commission regarding the Legislature's leadership positions; he said that there are three leadership positions in each house instead of the two for which we currently have stipends.

Doug Sutherland, Commissioner of Public Lands, said that there really is no position like his in the state for comparative data. He requested that the Commission consider a significant across the board raise for elected officials to bring them up to comparative status with appointed state officials.

Brian Sonntag, State Auditor, gave an overview of his position and brought to our attention that Initiative 900, which addresses agency performance evaluations, increased his budget by 48.0 percent which in turn means additional staff. He stated that an adjustment to his salary is warranted but also stated that he believes the executive branch should receive the same cost of living increases that all state employees receive.

Tom Fitzsimmons, Chief of Staff for Governor Christine Gregoire, stated that he, speaking on behalf of the Governor, believes that there should be internal equity between the executive branch's elected and appointed officials. He said that they support the continued reliance on the

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Willis evaluation system as a valuable tool for position responsibilities. Mr. Fitzsimmons also addressed the competitive labor market and balancing it with position responsibilities. The bottom line is that the Governor's Office supports a fair and equitable compensation system.

Mike Kreidler, Insurance Commissioner, spoke about the health care crisis involving 14,000 insurance companies, 95,000 insurance agents and brokers, and 400 million collected in taxes. He requested that the Commission continue to use the Willis evaluation system and that we need to close the gap between the executive branch positions and appointed positions.

The Commission took a break for lunch.

Rob McKenna, Attorney General, spoke to the Commission by telephone to present his testimony. He spoke about the Willis evaluation system and that it shows the need for a higher salary. He believes this is partly due to the fact that the Washington Attorney General Office is one of the largest in the country. This is because Washington groups all state attorney's under one office, whereas other states have attorneys spread out into several agencies.

Public Testimony

Don Brazier – former legislator and unofficial historian of the Legislature. Longtime legislators have left service due to time commitments; now 75.0 percent time commitment; legislators are grossly underpaid.

There was no further public testimony.

Ron Hopkins, Chair, asked each commissioner to talk about their views.

Dorothy Gerard

- Everyone should get a cost of living adjustment as in the Governor's budget proposal.
- Add House Majority Leader.
- Accept Cary's recommendations and determine catch-up increase and cost of living increases.
- Bring Lieutenant Governor up to not more than 25.0 percent behind elected officials in band I
- Judges – continue catch-up percentage, but more.

Brian Sadden

- Positions not doing bad except for the legislators.
- Supports 3.2 percent and 2.0 percent.
- Include House Majority Leader but not committee chairs.

Don Doggs, Jr.

- Bring executive branch positions to bottom of their plateaus; equity issue.
- Legislators are underpaid.

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- Is Commission doing its job to attract good candidates?
- Loosing battle – going the wrong direction in taking little steps. Early Learning as an example – need to step up to the plate.
- Agrees with Dorothy regarding 25.0 percent catch-up for Lieutenant Governor.
- Attorney General should be at \$150k and the Governor \$160k.
- The governor has great accountability; position deserves more.

John McCallum

- Supports a raise for the Lieutenant Governor; nothing for the others.
- 2.6 percent in 2007 and 2.4 percent in 2008.
- Needs more information to make a decision regarding legislative committees, but open to more for legislators.

Dale Carlisle

- Suggested four separate actions – cost of living increase, Executive Branch, Legislature, and Judges.
- Cost of living increase should be across the board, suggested 3.0 percent each year.
- Has a hard time bringing Executive Branch positions up to private sector. Example: look at other states.
- Willis good – adjustment of \$5–10k in addition to cost of living increase as catch-up for all but Governor and Attorney General; for Lieutenant Governor – deduct other income.
- Legislature – time to make a significant change to salary; 70.0 percent of income of Executive Branch plus cost of living increase.
- Judges are satisfied with cost of living increase and 1.0 percent.

Willean Denton-Hornbeck

- Need to go back to Legislature regarding committee chairs; suggested asking Cary to evaluate House Majority Leader and committee chairs.
- House Majority Leader should be added to stipend if it was an oversight.
- Concerned about judges – not limit to 1.0 percent plus cost of living increase.
- Supports Governor's cost of living increase proposal.
- Judges – concerned about losing judges; need to move faster toward the federal bench
- Executive Branch – important work – concerned about quality of people willing to run for these offices; inequity between elected and appointed is wrong; Lieutenant Governor salary should be adjusted.
- Don't need to benchmark all groups; internal comparisons are more important.

Alan Doman

- Year to make significant changes.
- Governor's cost of living increase proposal and new 2.5 percent step; more than 10.0 percent over two years for a lot of employees.

Jim Clark

- Agrees with taking four separate actions; cost of living increase, Executive Branch, legislature, and judges.

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- Across the board cost of living increase.
- Catch-up for judges; at 1.0 percent for two years will never catch up; need significantly more.
- Executive Branch – supports an adjustment for Governor in excess of 10.0 percent.
- Legislature – increased workload, time required, and service rendered – need to be better compensated – 10.0 percent catch-up.
- Committee Chairs and House Majority Leader – not convinced that needs to be addressed but could be persuaded otherwise.
- Need to be generous.
- Doesn't put a lot of weight in argument that positions are compensated well compared with national counterparts.

Dirk Muyskens

- Lieutenant Governor needs at least 15.0 percent to bring him to parity.
- Legislature needs to be increased at least 10.0 percent.
- Judges should get 2.0 percent.
- Executive Branch should be brought up to parity with appointed officials.

Scott Baxter

- Cost of living increase across the board.
- Executive Branch 8.0-10.0 percent; Lieutenant Governor – raise but not sure of amount.
- Legislature – needs to know more about committee chairs, but believes it to be a muddy bucket.
- Judges should get 2.0 percent in 2007 and 2008.

Kathryn Wade-Easley

- Rectify House Majority Leader if really left out; don't have enough information at this time.
- Represent citizens who will have a hard time understanding big raises.
- Legislature – can't consider full-time; not off the mark with other states.
- COLA.
- Agree that committee chairs would be a can of worms.
- Keep in mind the public; have limited funds; need rationale.

Ron Hopkins

- Separate the COLA from other adjustments and refer to it as a General Wage Adjustment (GWA) as does DOP.

There was discussion about each of the branches – Judicial, Executive, and Legislative and the best way to approach what the Commission recommends for each branch.

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Motions:

1. There was a motion made by Brian Sadden to give all elected officials a 3.2 percent general wage adjustment for 2007 and 2.0 percent for 2008. The motion was seconded by Willean Denton Hornbeck. Ron Hopkins called for a vote and it was unanimously passed.
2. There was a motion made by Dale Carlisle to give the judicial branch a 2.0 percent general wage adjustment effective September 1, 2007 and September 1, 2008. The motion was seconded by Dorothy Gerard. Ron Hopkins called for a discussion about justification for 2.0 percent in addition to the general wage adjustments for all elected officials. Ron Hopkins then called for a vote and the motion was unanimously passed.
3. There was a motion made by Alan Doman and seconded by John McCallum to adjust the salary of the Lieutenant Governor, as a catch-up measure, to \$85k effective September 1, 2007. Ron Hopkins called for a vote. The motion was passed unanimously.
4. There was a motion made by Dale Carlisle and seconded by Dirk Muyskens to give a 5.0 percent "catch-up" increase, effective September 1, 2007, to the Governor, Lieutenant Governor, Attorney General, Auditor, Treasurer, Secretary of State and Insurance Commissioner, and furthermore a corresponding increase of 7.0 percent to the Superintendent of Public Instruction and the Commissioner of Public Lands. Ron Hopkins called for a vote and the motion carried with nine yes votes and three no votes as follows:

Commissioner	Yes	No
Scott Baxter		X
Don Boggs		X
Dale Carlisle	X	
Jim Clark	X	
Alan Doman	X	
Dorothy Gerard	X	
Ron Hopkins	X	
Willean Denton Hornbeck	X	
John McCallum	X	
Dirk Muyskens	X	
Brian Sadden	X	
Katherine Wade-Easley		X

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5. There was a motion made by Dale Carlisle and seconded by Dorothy Gerard to raise the base salary for Legislators to 40k effective September 1, 2007. Ron Hopkins called for a vote. The motion passed with eleven yes votes and one no vote as follows:

Commissioner	Yes	No
Scott Baxter	X	
Don Boggs	X	
Dale Carlisle	X	
Jim Clark	X	
Alan Doman		X
Dorothy Gerard	X	
Ron Hopkins	X	
Willeam Denton Hornbeck	X	
John McCallum	X	
Dirk Muyskens	X	
Brian Sadden	X	
Katherine Wade-Easley	X	

6. There was a motion made by Dale Carlisle and seconded by Dirk Muyskens to maintain the stipend structure for legislators at 8k and 4k for current leadership positions. The motion was passed unanimously.
7. In addition to this motion there was a motion made by Dorothy Gerard and seconded by Alan Doman to have staff seek further information regarding the duties and responsibilities of standing committee chairs for further consideration. This motion was passed with a voice vote.
8. There was additionally another motion made by Willeam Denton Hornbeck and seconded by Dorothy Gerard to have staff seek further information about possible other leadership position in the Legislature. The motion was unanimously passed.

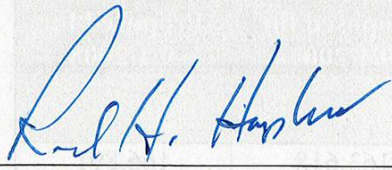
All of these motions were incorporated in a spreadsheet to illustrate their actual effects. The proposed salary schedule is as follows:

Position	Current Salary 9/1/2006	Proposed for 9/1/2007	Proposed for 9/1/2008
<i>Executive Branch</i>			
Governor	150,995	163,618	166,891
Lieutenant Governor	78,930	92,106	93,948

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Position	Current Salary 9/1/2006	Proposed for 9/1/2007	Proposed for 9/1/2008
Secretary of State	105,811	114,657	116,950
Treasurer	105,811	114,657	116,950
Auditor	105,811	114,657	116,950
Attorney General	137,268	148,744	151,718
Insurance Commissioner	105,811	114,657	116,950
Supt. Public Instruction	107,978	119,234	121,618
Commissioner of Public Lands	107,978	119,234	121,618
Judicial Branch			
Supreme Court Justices	145,636	153,302	159,496
Court of Appeals Judges	138,636	145,934	151,830
Superior Court Judges	131,988	138,936	144,549
District Court Judges	125,672	132,287	137,632
Legislative Branch			
Legislator	36,311	41,280	42,106
Speaker of the House	44,311	49,280	50,106
Senate Majority Leader	44,311	49,280	50,106
House Minority Leader	40,311	45,280	46,106
Senate Minority Leader	40,311	45,280	46,106

The meeting was adjourned at 4:35 p.m.

 Ron Hopkins, Chair	Feb. 22, 2007 Date
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